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SUBJECT: INSCR ITALY: 2007-2008 INTERNATIONAL NARCOTICS  
CONTROL AND STRATEGY REPORT PART I, DRUGS AND CHEMICAL  
CONTROL

REF: SECSTATE 136780

#### I. Summary

The Government of Italy (GOI) is firmly committed to the fight against drug trafficking domestically and internationally. The Prodi government continues Italy's strong counternarcotics stand with capable Italian law enforcement agencies. Italy is a consumer country and a major transit point for heroin transiting from the Middle East and southwest Asia through the Balkans and for cocaine originating from South America en route to western/central Europe. Italian and Italy-based foreign organized crime groups are heavily involved in international drug trafficking. GOI cooperation with U.S. law enforcement agencies continues to be exemplary. Italy is a party to the 1988 UN Drug Convention.

#### II. Status of Country

Italy is mainly a narcotics transit and consumption country. Law enforcement officials focus their efforts on heroin, cocaine, and hashish. Although Italy produces some precursor chemicals, they are well controlled in accordance with international norms, and are not known to have been diverted to any significant extent. Law enforcement agencies with a counternarcotics mandate are effective.

#### III. Country Actions Against Drugs in 2007

Policy Initiatives. Italy continues to combat narcotics aggressively and effectively. In March 2006, Italy adopted a tougher new drug law that eliminates distinctions between hard and soft drugs, increases penalties for those convicted of trafficking, and establishes administrative penalties for lesser offenses. All forms of possession and trafficking are illegal but punishment depends on the severity of the infraction. Stiff penalties for those convicted of trafficking or possessing drugs include jail sentences from six to 20 years and fines of over \$300,000. The law provides alternatives to jail time for minor infractions, including drug therapy, community service hours, and house arrest. Some center-left political parties vowed to overturn the legislation once elected to office in May 2006, but the Prodi government--a center-left coalition of eight parties--has not done so. Minister of Health Livia Turco issued a decree in April 2007 that allows medicines derived from Cannabis to be used in drug therapies to relieve severe and chronic pain and Minister of Social Solidarity Ferrero, who is designated as the GOI's overall drug coordinator, has publicly campaigned for new guidelines that raise the minimum amount of narcotics possession allowed, before punitive measures can be applied. Any proposal to change existing law would require consultation with other ministers (including the Justice and Interior Ministers), approval by the full cabinet, and a vote

in parliament. In late October 2007, the lower house of the Italian parliament began to review the government's proposal to amend the law.

In March 2007, at a UN Office on Drugs and Crime (UNODC) meeting, the GOI proposed a pilot program for opium buyout in Afghanistan, where Italy maintains a significant military contingent, as part of ISAF, of approximately 2,300 soldiers.

Also at the multilateral level, Italy has contributed an average of \$12 million to UNODC, over the last several years, making it one of the largest donors to the UNODC budget. Italy has supported key U.S. objectives at the UN commission on narcotic drugs, and chairs the Dublin Group for Central Asia.

**Law Enforcement Efforts.** From January 1 to September 30, 2007, Italian authorities seized 1,516.9 kilograms of heroin; 2,981.1 kilograms of cocaine; 14,080.5 kilograms of hashish; 2,835.9 kilograms of marijuana; 1,515,147 marijuana plants; 305,195 doses and 5.8 kilograms of amphetamines; and 3,510 doses of LSD.

In November 2006, a multilateral investigation involving DEA Rome, the Italian National Police (INP), the Italian Guardia di Finanza (GdF), as well as Colombian and Spanish authorities, successfully dismantled a major international cocaine trafficking and money laundering organization operating in South America and Europe. INP and GdF personnel arrested 34 members of this organization, significantly impacting the drug trafficking and money laundering activities of several Italian organized crime groups.

In December 2006, a joint investigation between DEA Rome and

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the Italian Carabinieri, as well as law enforcement counterparts in France, Spain, Germany, Ecuador, and Colombia, culminated in the arrest of 90 members of a significant international drug trafficking organization responsible for multi-hundred kilogram cocaine shipments from South America to Italy. During the investigation, over 1,200 kilograms of cocaine, 4,800 kilograms of hashish and weapons were seized in Italy and other countries. The Carabinieri arrested 50 individuals in Italy and seized in excess of \$25 million in trafficker-owned assets.

In January 2007, GdF officials in Trieste, Italy seized 110 kilograms of heroin (valued at \$70 million) from a truck, which had arrived on a ferry boat from Turkey. In May 2007, a joint DEA Milan and GdF money laundering investigation resulted in the identification and seizure of over \$6.2 million in drug proceeds from bank accounts in the U.S.

The fight against drugs is a major priority of the National Police, Carabinieri, and GdF counternarcotics units. The Italian Central Directorate for Anti-Drug Services (DCSA) coordinates the counternarcotics units of the three national police services and directs liaison activities with DEA and other foreign law enforcement agencies. Working with the liaison offices of the U.S. and western European countries, DCSA has 19 drug liaison officers in 18 countries (including the U.S.) that focus on major traffickers and their organizations. In 2006, DCSA stationed liaison officers in Tehran, Iran and Tashkent, Uzbekistan; in 2007 they added liaison officers in Kabul, Afghanistan, and Islamabad, Pakistan.

Investigations of international narcotics organizations often overlap with the investigations of Italy's traditional organized crime groups (e.g. the Sicilian Mafia, the Calabrian N'drangheta, the Naples-based Camorra, and the Puglia-based Sacra Corona Unita). During a two-year investigation leading to a major drug bust in early 2005, Italian officials confirmed that a number of these organized crime groups were linked to drug trafficking.

Additional narcotics trafficking groups include West African, Albanian, and other Balkan organized crime groups responsible for smuggling heroin into Italy; Colombian, Dominican, and other South American trafficking groups are involved in the importation of cocaine. Italian law enforcement officials employ the same narcotics investigation techniques used by other western countries. Adequate financial resources, money laundering laws, and asset seizure/forfeiture laws help ensure the effectiveness of these efforts.

Corruption. As a matter of government policy, Italy does not encourage or facilitate the illicit distribution of narcotics or the laundering of proceeds from illegal drug transactions.

We have no information that any senior official of the Government of Italy engages in, encourages, or facilitates the illicit production or distribution of such drugs or substances, or the laundering of proceeds from illegal drug transactions. Corruption exists in Italy although in the area of counternarcotics it rarely rises to the national level and it does not compromise investigations. When a corrupt law enforcement officer is discovered, authorities take appropriate action.

Agreements and Treaties. Italy is a party to the 1961 UN Single Convention as amended by its 1972 Protocol, as well as the 1971 UN Convention on Psychotropic Substances, and the 1988 UN Drug Convention. Italy has signed, but has not yet ratified the UN Corruption Convention. In August 2006, Italy ratified the UN Convention Against Transnational Organized Crime and its three protocols. Italy has bilateral extradition and mutual legal assistance treaties with the U.S. In May 2006, the U.S. and Italy signed bilateral instruments on extradition and mutual legal assistance to implement the U.S.-EU Agreements on Extradition and Mutual Legal Assistance signed in 2003.

Cultivation Production. There is no known large-scale cultivation of narcotic plants in Italy, although small-scale marijuana production in remote areas does exist, although mainly for domestic consumption. No heroin laboratories or processing sites have been discovered in Italy since 1992. However, opium poppy grows naturally in the southern part of Italy, including Sicily. It is not commercially viable due to the low alkaloid content. No MDMA-Ecstasy laboratories have been found in Italy.

Drug Flow/Transit. Italy is a consumer country and a major transit point for heroin coming from southwest Asia through

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the Balkans enroute to western and central Europe. A large percentage of all heroin seized in Italy comes via Albania. Albanian heroin traffickers work with Italian criminal organizations as transporters and suppliers of drugs. Heroin is smuggled into Italy via automobiles, ferryboats and commercial cargo. Albania is also a source country for marijuana and hashish destined for Italy. Italy maintains a liaison office in Albania to assist Albanians in interdicting narcotics originating there and destined for either Italy or other parts of Europe.

Almost all cocaine found in Italy originates with Colombian and other South American criminal groups and is managed in Italy mainly by Calabrian-based organized crime groups. Multi-hundred kilogram shipments enter Italy via seaports concealed in commercial cargo. Although the traditional Atlantic trafficking route is still in use, stepped-up international scrutiny and cooperation are forcing traffickers to use alternative avenues. Italian officials have detected traffickers using transit ports in West Africa where drugs are off-loaded to smaller fishing vessels that ultimately reach Spain and other Mediterranean destinations. Cocaine shipments off-loaded in Spain and the Netherlands are eventually transported to Italy and other European countries by means of land vehicles. Smaller amounts of cocaine

consisting of grams to multi-kilogram (usually concealed in luggage) enter Italy via express parcels or airline couriers traveling from South America.

Ecstasy found in Italy primarily originates in the Netherlands and is usually smuggled into the country by means of couriers utilizing commercial airlines, trains or land vehicles. Italy is also used as a transit point for couriers smuggling Ecstasy destined for the United States. A method used in the past by trafficking groups has been to provide thousands of Ecstasy tablets to couriers in Amsterdam concealed in luggage. The couriers then travel by train or airline to Italy; the EU's open borders make this journey somewhat less risky.

Hashish comes predominately from Morocco through Spain, entering the Iberian Peninsula (and the rest of Europe) via sea access points using fast boats. As with cocaine, larger hashish shipments are smuggled into Spain and eventually transported to Italy by vehicle. Hashish also is smuggled into Italy on fishing and pleasure boats from Lebanon.

Catha Edulus (aka Khat) is a shrub grown in the southern part of Arabia and Eastern Africa, primarily in the countries of Yemen, Somalia, and Ethiopia. The leaves of this plant contain the alkaloids cathine and cathinone (chewed for stimulant effects), which are controlled substances in Italy and the U.S. Italy is one of several European countries used by East African trafficking organizations for the transshipment of khat to major urban areas across the U.S. These organizations primarily use international parcel delivery systems and airline passenger luggage to transport multi-kilogram to multi-hundred kilogram quantities of khat. Italian law enforcement officials continue to cooperate with DEA in joint investigations targeting these groups in Italy and the U.S.

Domestic Programs/Demand Reduction. The GOI promotes drug prevention programs using abstinence messages and treatment aimed at the full rehabilitation of drug addicts. The Italian Ministry of Health funds 544 public health offices operated at the regional level; the Ministry of Interior supports 730 residential, 204 semi-residential facilities, and 183 ambulatories. Of the 500,000 estimated drug addicts in Italy, 176,000 receive services at public agencies. Others either are not receiving treatment or arrange for treatment privately. The Prodi government continues to promote more responsible use of methadone at the public treatment facilities. For 2005, the Italian government budgeted \$141 million for counternarcotics programs run by the health, education, and labor ministries. Seventy-five percent of this amount is for regional programs and the remaining 25 percent is for national programs.

#### IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. The U.S. and Italy continue to enjoy exemplary counternarcotics cooperation. In January 2006, the Director of the Italian Central Directorate for Anti-Drug Services (DCSA) met with senior DEA leadership at DEA headquarters in Washington, DC in furtherance of bilateral operations. In January 2007, DCSA hosted a working group conference of law enforcement counterparts from Europe, Africa, and the Middle East as part of the DEA's annual

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International Drug Enforcement Conference (IDEC). DEA and DCSA personnel continue to conduct intelligence-sharing and coordinate joint criminal investigations on a daily basis. Based on the October 1997 International Conference on Multilateral Reporting in Lisbon, Portugal, the DEA Headquarters Chemical Section and DCSA continue to exchange pre-shipment notifications for illicit drug precursor chemicals. (Note: Italy has not been identified as a significant international producer or distributor of methamphetamine precursor chemicals.)

During 2007, DEA continued the Drug Sample Program with the GOI, which consists of the analysis of seized narcotics to determine purity, cuttings agents, and source countries. From January-October 2007, DEA received approximately 72 samples of heroin, cocaine, and ecstasy. DEA has expanded this program to the countries of Slovenia, Croatia and Albania. The sample collection from these countries and others in the Balkans is essential in determining production methods and trafficking trends that ultimately impact Italy. DEA independently conducted drug awareness programs at international schools in Rome and Milan. DEA also provided training to Italian counterparts in the areas of asset forfeiture and drug law enforcement operations.

The Road Ahead. The USG will continue to work closely with Italian officials to break up trafficking networks into and through Italy as well as to enhance both countries' abilities to apply effective demand reduction policies. The USG will also continue to work with Italy in multilateral settings such as the Dublin Group of countries that coordinate counternarcotics and UNODC policies. END  
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